

DEPARTMENT OF SOCIAL SERVICES

FINANCIAL SUMMARY

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	FY 2011 REQUEST	GOVERNOR RECOMMENDS FY 2011
Office of the Director	\$ 22,284,293	\$ 25,518,049	\$ 25,343,811	\$ 25,279,262
Family Support Division	564,491,252	498,382,085	498,727,822	492,493,108
Children's Division	509,049,276	531,569,054	531,406,627	526,977,713
Division of Youth Services	61,522,262	63,194,195	62,484,434	62,126,082
MO HealthNet Division	5,752,490,297	6,343,978,287	6,589,046,879	6,791,313,013
DEPARTMENTAL TOTAL	\$ 6,909,837,380	\$ 7,462,641,670 *	\$ 7,707,009,573	\$ 7,898,189,178
General Revenue Fund	1,433,790,546	1,516,013,903	1,589,302,710	1,627,724,418
Federal Budget Stabilization Fund	0	2,587,500	3,794,918	0
Title XIX - Federal Funds and Other Funds	2,770,780,032	3,256,421,616	3,341,123,208	3,364,533,377
Temporary Assistance for Needy Families - Federal Funds	150,337,413	155,341,262	155,341,262	155,224,972
DSS - Federal and Other Funds	609,418,715	586,871,385	578,542,522	576,298,195
Uncompensated Care Fund	96,575,451	91,000,001	91,000,001	91,000,001
Pharmacy Rebates Fund	96,005,354	96,355,527	96,355,527	104,381,357
Third Party Liability Collections Fund	15,003,814	22,396,268	22,396,268	22,396,268
Intergovernmental Transfer Fund	69,329,227	66,300,000	70,348,801	136,080,463
Federal Reimbursement Allowance Fund	1,126,621,199	1,122,834,493	1,186,163,887	1,186,163,887
Pharmacy Reimbursement Allowance Fund	99,862,996	62,922,161	99,192,449	148,304,883
MO HealthNet Managed Care Organization Reimbursement Allowance Fund	50,683,825	11,745,956	2	2
Family Services Donations Fund	10,094	133,994	133,994	133,994
Child Support Enforcement Fund	9,775,693	11,118,590	11,118,590	11,413,878
Nursing Facility Federal Reimbursement Allowance Fund	187,195,492	245,822,055	245,822,055	245,822,055
Nursing Facility Quality of Care Fund	305,216	90,794	90,794	90,794
Health Initiatives Fund	23,241,170	20,583,585	20,583,585	20,583,585
Gaming Commission Fund	453,315	500,000	500,000	500,000
DSS Administrative Trust Fund	5,447,547	5,452,035	5,452,035	5,452,035
DSS Educational Improvement Fund	6,283,019	5,853,082	5,853,082	6,603,082
Blind Pension Fund	29,353,865	31,994,636	33,591,056	34,311,970
Healthy Families Trust Fund	64,779,494	64,779,494	64,779,494	64,779,494
Life Sciences Research Trust Fund	28,311,716	28,725,000	28,725,000	38,000,000
Youth Services Products Fund	0	1	1	1
Missouri Rx Plan Fund	4,593,246	10,730,525	10,730,525	10,730,525
Youth Services Treatment Fund	0	999	999	999
Early Childhood Development, Education and Care Fund	10,833,119	14,517,191	14,517,191	14,917,036
Premium Fund	8,984,443	10,230,392	10,230,392	10,230,392
Blindness Education, Screening and Treatment Program Fund	126,805	250,000	250,000	349,000
Alternative Care Trust Fund	11,734,574	12,000,000	12,000,000	12,000,000
Ambulance Service Reimbursement Allowance Fund	0	9,069,225	9,069,225	10,162,515
Total Full-time Equivalent Employees	8,322.07	8,093.20	7,970.90	7,794.68
General Revenue Fund	3,234.75	2,270.79	2,231.43	2,123.45
Federal Funds	4,681.72	5,249.37	5,168.47	5,100.20
Other Funds	405.60	573.04	571.00	571.03

* Does not include \$214,788,935 recommended in the Fiscal Year 2010 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Social Services supplemental appropriations.

DEPARTMENT OF SOCIAL SERVICES

DEPARTMENT SUMMARY

Governor Nixon's Fiscal Year 2011 budget preserves essential services for Missouri's most vulnerable populations: seniors, children, and people with disabilities. His budget also includes multiple proposals to improve the efficiency of all programs within the Department of Social Services. By increasing efficiency and reducing costs, vital services can be preserved even with growing caseloads driven by the national economic downturn.

Improving the Efficiency of Health Care Services

Unemployment due to the recession has increased Medicaid caseloads, contributing to the increased cost of the program requiring an additional \$268.7 million to cover the growth at a time when state revenues are stagnant. Governor Nixon's administration has worked with program providers and Medicaid consultants to lower costs and improve client outcomes. Through these efforts, \$122 million general revenue will be saved without changing eligibility or eliminating services. The initiatives will provide even greater cost containment in future years. They will focus on several key initiatives, across all services and provider types, for example:

- Focusing on high-cost users – Better management of very high-cost clients across all service areas will reduce costs, and lead to better health outcomes for clients. By reviewing all services provided to these high-cost clients, duplicative and inappropriate care can be eliminated.
- Improving coordination of benefits with other insurers – Some Medicaid clients are eligible for other insurance coverage, including Medicare. For example, certain hospital outpatient and nursing home costs are covered by Medicaid that could be paid by Medicare. Policies will be changed to make sure other insurers pay these costs.
- Enhancing service review – Missouri will improve its review of services across multiple providers. Precertification of imaging services will be required; a third party contractor will perform the intake and assessment of clients for long-term care services; use of telephony will ensure home and community-based services are appropriately paid; and better management of psychotropic prescriptions will be achieved through clinical review.
- Ensuring provider rates are efficient – Some Medicaid rates in Missouri are higher than Medicare rates or higher than typical rates paid by private insurers. Provider rates in these very limited areas, such as specialty physician services, rehabilitation services, outpatient hospital, and durable medical equipment will be reduced. In addition, changes will be made to improve the efficiency of rates paid to managed care plans.

Enhancing Quality and Care for Missouri's Neediest Children

Governor Nixon has placed priority on protecting quality services for Missouri's children and families through child protective services. All of Missouri's 45 judicial circuits and the state's Central Administration and Child Abuse and Neglect Hotline have been awarded accreditation by the national Council on Accreditation. This achievement has been an accumulation of efforts since 2004 and results in the entire state child welfare system exemplifying best practice standards while still planning for continuous quality improvement. Missouri's Children's Division represents one of only a handful of states that have achieved full accreditation.

Supporting Working Families

An essential component to low-income families finding and sustaining work is affordable access to child care. The Governor's budget uses federal funds to avoid childcare waitlists without reducing current income eligibility levels for subsidies. Federal funding will be used to increase access to childcare for parents participating in workforce activities. Currently, only households receiving Temporary Assistance for Needy Families (TANF) are eligible for childcare while performing job search activities. Federal funding will be used to extend this eligibility for low-income, non-TANF households that are also participating in job search activities for up to eight weeks. This will allow unemployed parents the ability to place their child in appropriate child care settings while finding work to sustain their family. To ensure quality performance from child care providers, federal childcare funding will be used to provide grants to facilities for the improvement and sustainability of licensing standards and support the education of child care practitioners.

DEPARTMENT OF SOCIAL SERVICES

Reducing Administrative Costs

Under Governor Nixon's leadership, state agencies have minimized the negative impact on services by dramatically reducing administrative costs and by developing methods to provide core services in the most efficient way possible. A thorough review of program operations was performed to locate cost saving measures.

- The Division of Youth Services will consolidate support functions by regionalizing bill payment processes and maintenance functions without compromising the treatment or safety of the youth in custody.
- The department will eliminate telephone maintenance contracts, control postage costs, and purchase vehicles through the SMART Lease program rather than reimbursing staff for mileage incurred from job-related travel.
- The Family Support Division will restructure child support enforcement personnel, terminate a child support contract for hard-to-collect cases, and absorb these collection duties in-house. The division will also use federal matching authority to address the administrative hearings backlog and improve collection efforts.
- The department employs over 8,000 staff across 114 counties and the city of St. Louis. While the budget includes over 300 staff reductions, every effort has been taken to avoid lay-offs. Approximately two-thirds of this reduction will be maintained through hiring freezes of income maintenance workers in county offices. In order to operate efficiently, the current county structure needs to be more flexible.

The Fiscal Year 2011 budget provides \$7.9 billion to the Department of Social Services. The core functions provided by the Department of Social Services include:

- Protecting the welfare of Missouri's children through foster care, child abuse and neglect investigations, children's treatment, purchase of child care, and adoption assistance.
- Administering income support programs and many of the state's child support enforcement functions, such as, Temporary Assistance for Needy Families, Food Stamps, Energy Assistance, Blind Pension, Supplemental Aid to the Blind, Domestic Violence, and Medicaid eligibility.
- Providing case management, community care, and aftercare to youth committed to the state's custody for various crimes. The Juvenile Court Diversion Program works with local communities to help prevent juvenile crime and provide treatment for youth in their own communities.
- Administering health care delivery to over 900,000 of Missouri's neediest citizens, including the elderly, disabled, children, and pregnant women. The Medicaid Program (Title XIX of the Social Security Act) is a federal-state effort to meet the health care needs of those who cannot pay for their own care. The health care services include hospital, physician, pharmacy, skilled nursing home care, home health care, mental health, and managed care. While states must meet certain minimum criteria, each state can establish eligibility guidelines, benefit packages, and provider payment rates for its Medicaid Program.

**DEPARTMENT OF SOCIAL SERVICES
OFFICE OF THE DIRECTOR**

FINANCIAL SUMMARY

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	GOVERNOR RECOMMENDS FY 2011
Office of the Director	\$ 559,421	\$ 468,663	\$ 467,311
Mail Center Consolidation	364,551	348,980	0
Federal Grants and Donations	3,100,275	5,954,958	5,954,958
Human Resource Center	586,652	532,270	527,009
Staff Training	275,967	268,622	257,430
Finance and Administrative Services	8,968,747	8,938,901	9,210,368
Revenue Maximization	0	250,000	250,000
Neglected and Delinquent Children	2,228,968	2,484,608	2,484,608
Legal Services	6,199,712	6,271,047	6,127,578
TOTAL	\$ 22,284,293	\$ 25,518,049	\$ 25,279,262
PERSONAL SERVICE			
General Revenue Fund	5,136,926	4,531,254	4,158,215
Federal Funds	4,423,292	4,300,184	4,242,350
Other Funds	807,668	831,024	818,511
EXPENSE AND EQUIPMENT			
General Revenue Fund	628,743	555,333	689,585
Federal Funds	3,497,110	4,049,805	4,107,639
Other Funds	5,520,331	5,579,914	5,592,427
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	2,228,968	2,484,608	2,484,608
Federal Funds	41,161	3,160,957	3,160,957
Other Funds	94	24,970	24,970
TOTAL			
General Revenue Fund	7,994,637	7,571,195	7,332,408
Federal Funds	7,961,563	11,510,946	11,510,946
Other Funds	6,328,093	6,435,908	6,435,908
Total Full-time Equivalent Employees	263.90	240.99	224.99
General Revenue Fund	128.83	119.07	105.93
Federal Funds	114.96	102.85	100.46
Other Funds	20.11	19.07	18.60

The Office of the Director includes the director, the director's staff, and the Human Resource Center (HRC). The director provides leadership for nearly 8,000 employees and the divisions of the Department of Social Services. Current focus areas include Missouri's response to federal health care reform and the development of an infrastructure to promote the application of health information technologies and the health information exchanges in the state. The HRC plans, develops, and implements statewide human resource programs and training curriculums, giving direction and coordination to all divisions in the Department of Social Services.

The Division of Finance and Administrative Services provides centralized financial and administrative support to all divisions. Financial related functions include audit support and contract compliance, budgeting, expenditure review and control, federal grants management and reporting, implementation of the department's fiscal policies, and responding to changes in federal and state fiscal policy. Administrative support services include emergency management, telecommunications, warehouse/inventory coordination and distribution, fleet management, and research and data management.

The Division of Legal Services (DLS) provides comprehensive legal support to all divisions in the department. DLS responsibilities include due process hearings for public assistance and child support recipient appeals, legal advice and representation for the Children's Division investigating fraud and abuse of public assistance programs, and conducting background investigations on department employees. The division also includes the State Technical Assistance Team (STAT), which is responsible for assisting in investigations of child abuse, neglect, exploitation, child fatality, and management and training of Missouri's Child Fatality Review Program (CFRP). DLS also coordinates the department's compliance with applicable federal and state privacy laws, such as the Health Insurance Portability and Accountability Act (HIPAA).

Fiscal Year 2011 Governor's Recommendations

- (\$238,787) and (16) staff core reduction from the Fiscal Year 2010 appropriation level.

**DEPARTMENT OF SOCIAL SERVICES
FAMILY SUPPORT DIVISION**

FINANCIAL SUMMARY

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	GOVERNOR RECOMMENDS FY 2011
Family Support Administration	\$ 24,497,164	\$ 34,436,730	\$ 32,671,256
Income Maintenance Field Staff and Operations	90,404,608	93,051,866	87,393,451
Family Support Staff Training	506,081	422,319	422,319
Community Partnerships	8,192,817	8,158,923	8,100,723
Missouri Mentoring Partnership	1,538,171	1,384,924	0
Kids Mentoring	488,000	0	0
Adolescent Boys Program	0	300,000	230,400
Family Nutrition Program	9,283,510	9,294,560	9,294,560
Temporary Assistance for Needy Families (TANF)	117,210,743	124,033,466	124,033,466
Adult Supplementation	72,265	69,665	61,665
Supplemental Nursing Care	25,092,868	25,807,581	25,807,581
Blind Pension	26,550,927	29,148,100	31,465,434
Refugee Assistance	1,953,362	3,808,853	3,808,853
Community Services Block Grant	17,312,050	19,144,171	19,144,171
Homeless Challenge Grant	429,925	500,000	500,000
Emergency Shelter Grants	1,199,102	1,340,000	1,880,000
Food Distribution Programs	1,175,585	1,175,585	1,500,000
Energy Assistance	101,207,411	40,826,051	40,826,051
Domestic Violence	6,004,997	6,437,653	6,437,653
Blind Administration	4,866,088	4,993,042	4,766,580
Services for the Visually Impaired	7,242,936	8,459,151	8,558,151
Child Support Field Staff and Operations	32,179,517	35,757,406	35,490,794
Child Support Distributions	87,083,125	49,832,039	50,100,000
TOTAL	\$ 564,491,252	\$ 498,382,085	\$ 492,493,108
PERSONAL SERVICE			
General Revenue Fund	28,201,432	28,067,164	24,518,981
Federal Funds	85,793,828	90,019,910	87,638,727
Other Funds	8,193,017	9,386,556	9,386,556
EXPENSE AND EQUIPMENT			
General Revenue Fund	12,022,078	15,290,301	13,370,461
Federal Funds	30,197,489	39,663,846	38,248,769
Other Funds	2,348,607	2,854,571	3,149,859
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	36,926,432	37,586,927	36,915,978
Federal Funds	331,572,373	243,778,872	245,113,505
Other Funds	29,235,996	31,733,938	34,150,272
TOTAL			
General Revenue Fund	77,149,942	80,944,392	74,805,420
Federal Funds	447,563,690	373,462,628	371,001,001
Other Funds	39,777,620	43,975,065	46,686,687
Total Full-time Equivalent Employees	3,990.38	3,974.71	3,761.91
General Revenue Fund	933.99	647.03	553.16
Federal Funds	2,802.12	2,901.20	2,784.31
Other Funds	254.27	426.48	424.44

Administrative Services – Management, coordination, and general direction are provided to all Family Support Division programs. The division director and staff monitor the efficiency and effectiveness of and provide policy direction for Income Maintenance and Child Support programs. Administrative Services also provides financial management and operational services, human resource support, and systems support to Income Maintenance and Child Support Enforcement field staff.

Income Maintenance Field Staff and Operations – Staff provides intake services, information and referral, and eligibility determinations for applicants of services provided by the department. Funds in these sections support the salaries, general operating expenses, and training for Income Maintenance eligibility specialists, administrative and supervisory staff, and clerical support positions in Family Support offices.

DEPARTMENT OF SOCIAL SERVICES FAMILY SUPPORT DIVISION

Temporary Assistance for Needy Families (TANF) – TANF is a program designed to provide temporary assistance/relief to families to promote self-sufficiency so parents do not remain dependent on government payments and children do not grow up in poverty. Under federal welfare reform, TANF was designed to be a temporary assistance which, coupled with a myriad of other support services, would enable parents to find and retain employment; thereby, enabling them to support their families without government assistance. Missouri continues to implement new, innovative programs designed to meet the diverse needs of TANF recipients.

Adult Supplementation – The federal government assumed responsibility for Old Age Assistance, Aid to the Permanently and Totally Disabled, and Aid to the Blind programs in January 1974 when it created the Supplemental Security Income (SSI) Program. Recipients who are eligible for SSI, but who receive smaller benefits than their December 1973 payments, receive payments from the state equal to the difference. Recipients who are not eligible for SSI, but who received payments under one of the earlier programs, receive payments from the state equal to the amount they received in December 1973. The caseload has been declining since 1973 as recipients die, become ineligible through incomes changes, or leave the state.

Supplemental Nursing Care – This state-funded program makes monthly cash payments to residents of residential care, assisted living, and non-Medicaid nursing facilities. The type of facility appropriate for clients is dictated by their level of need for care. Minimal medical care is provided in Residential Care, more in Assisted Living, and significantly more in Nursing Facilities. Supplemental Nursing Care recipients also are provided an allowance each month for personal needs such as toiletries, transportation, and hair care.

Blind Pension and Supplemental Aid to Blind – Three separate programs assist blind persons. The first, Supplemental Aid to the Blind, pays benefits to those who meet certain income requirements. The second, Blind Pension, aids the blind who do not qualify for Supplemental Aid to the Blind and who do not own property – excluding homes – worth more than \$20,000. The third program, Adult Supplemental Payments, aids those who received Aid to the Blind before the federal SSI Program began in 1974, but who receive less from SSI than from the earlier program. New cases that meet the state's 1973 guideline also may be certified for Supplemental Aid to the Blind. All of these programs are funded from an earmarked state property tax that provides revenue to the Blind Pension Fund.

Community Services Block Grant (CSBG), Emergency Shelter Grants, Homeless Funding, and Refugee Assistance – CSBG funds are used to address six causes of poverty: unemployment, inadequate education, malnutrition, inadequate housing, unmet emergency needs, and poor use of income. Federal statutes require that 90 percent of CSBG funding be passed through to Community Action Agencies. The Emergency Shelter Grants Program provides grants to local governments to be used for renovation or conversion of buildings for emergency shelters and to help meet the cost of emergency shelter operations. Homeless Challenge Grants offer local communities matching funds to establish programs to combat homelessness. The Refugee Assistance Program provides services to help refugees overcome language barriers, acquire or adapt vocational skills, and adjust to their new environment.

Food Distribution – The federally funded Food Distribution Program enables Family Support to provide USDA commodities and administrative funds to not-for-profit food banks to store, ship, and distribute food to eligible individuals and families. The Food Distribution Program also provides commodities for the Summer Food Service Program and other charitable institutions.

Energy Assistance – The Low-Income Home Energy Assistance Program is a federally funded block grant which provides heating assistance payments and winter and summer crisis assistance to low-income households.

Domestic Violence – This program issues contracts to local family violence shelters. Funds may be used for emergency shelters, counseling, and services for families in community-based shelters.

Services for the Visually Impaired – Professional staff in Rehabilitation Services for the Blind counsel and train blind and visually impaired Missourians, arrange for the purchase of other services, and help the visually impaired find jobs. Services include rehabilitation, vocational rehabilitation, diagnosis and treatment of eye disease, equipment and supplies for blind preschool children, the Public Building Vending program, and the Readers for the Blind Program.

Child Support Field Staff and Operations – Child Support Enforcement staff provide services to locate missing parents; establish paternity, medical support, and financial child support obligations; and enforce the collection of support payments for TANF, MO HealthNet and for non-TANF families that apply for child support services. The state retains approximately 36 percent of all assigned child support collected on current and former TANF cases.

**DEPARTMENT OF SOCIAL SERVICES
FAMILY SUPPORT DIVISION**

Child Support Distributions – Distributions are made to reimburse counties that have signed a cooperative agreement with the Department of Social Services to provide judicial assistance in the establishment and enforcement of child support obligations. Child support collection and prosecution costs incurred by the counties are reimbursed by the federal government at a rate of 66 percent. This funding also supports contractual agreements with local governments to assist the division with paternity and other types of child support referrals through the establishment of multi-county, full-service centers. Counties pool resources to establish service centers dedicated to child support work.

Distributions are also made to families when the payment was collected by the department and to refund some overpayments from federal income tax refund intercepts. This appropriation also provides a mechanism for reimbursing non-custodial parents for child support payments over-collected from state income tax refund intercepts.

Fiscal Year 2011 Governor's Recommendations

- \$1,596,420 Blind Pension Fund to increase the monthly benefit from \$651 to \$686 per month.
- \$1,317,961 federal funds to match planned spending levels for reimbursements to counties for child support enforcement services.
- \$720,914 Blind Pension Fund for caseload increase of blind pension recipients.
- \$540,000 federal funds to match planned spending levels for emergency shelter grants.
- \$335,861 Child Support Enforcement Fund for increased earnings from implementing child support fee legislation.
- \$324,415 federal funds to match planned spending levels for food distribution programs.
- \$137,112 federal and other funds for one-time expenditures for system upgrades necessary to implement the child support fee legislation.
- \$99,000 Blindness Education, Screening and Treatment Program Fund transferred from the Department of Health and Senior Services for child vision screenings.
- (\$10,960,660) and (212.8) staff core reduction from the Fiscal Year 2010 appropriation level, including (\$6,138,972) general revenue.

**DEPARTMENT OF SOCIAL SERVICES
CHILDREN'S DIVISION**

FINANCIAL SUMMARY

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	GOVERNOR RECOMMENDS FY 2011
Children's Administration	\$ 6,977,056	\$ 7,053,472	\$ 6,805,970
Children's Field Staff and Operations	72,022,754	74,402,619	81,073,777
Child Welfare Accreditation	10,326,630	8,698,717	0
Children's Staff Training	1,452,995	1,276,069	1,276,069
Children's Treatment Services	11,510,885	11,976,238	11,976,238
Crisis Nursery	802,314	1,350,000	0
Teen Crisis Care	320,002	400,000	0
Crisis Care	0	0	1,250,000
Foster Care	28,989,889	35,747,999	37,202,719
Adoption and Subsidized Guardianship	79,028,854	81,739,364	81,739,364
Adoption Resource Centers	294,000	300,000	280,000
Independent Living	3,788,023	4,050,000	4,050,000
Transitional Living	2,008,975	2,064,018	2,064,018
Children's Programs Pool	14,870,639	15,020,608	15,020,608
Child Assessment Centers	2,237,380	2,298,952	2,298,952
Residential Treatment	41,798,431	52,844,115	49,144,115
Foster Care Case Management Contracts	21,687,505	25,157,066	24,357,066
Psychiatric Diversion	14,037,484	0	0
IV-E Court Contracts	166,027	400,000	400,000
Child Abuse and Neglect Grant	102,999	188,316	188,316
Foster Care Children's Account	11,734,574	12,000,000	12,000,000
Purchase of Child Care	183,119,948	192,701,501	191,950,501
Child Abuse and Neglect Prevention	1,495,912	1,600,000	1,400,000
Child Abuse Prevention Demonstrations	276,000	300,000	0
Voluntary Placement Agreements	0	0	2,400,000
Individualized Service Plans	0	0	100,000
TOTAL	\$ 509,049,276	\$ 531,569,054	\$ 526,977,713
PERSONAL SERVICE			
General Revenue Fund	30,890,093	32,653,825	31,720,942
Federal Funds	45,918,523	47,573,499	47,221,417
Other Funds	110,172	112,400	112,400
EXPENSE AND EQUIPMENT			
General Revenue Fund	5,003,898	4,745,098	4,162,910
Federal Funds	9,251,934	9,730,838	9,322,932
Other Funds	72,055	1,038,783	1,038,781
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	210,050,068	218,825,322	214,852,575
Federal Funds	185,227,674	191,376,415	192,633,035
Other Funds	22,524,859	25,512,874	25,912,721
TOTAL			
General Revenue Fund	245,944,059	256,224,245	250,736,427
Federal Funds	240,398,131	248,680,752	249,177,384
Other Funds	22,707,086	26,664,057	27,063,902
Total Full-time Equivalent Employees	2,326.80	2,199.25	2,163.53
General Revenue Fund	939.73	785.21	769.68
Federal Funds	1,384.04	1,411.24	1,391.05
Other Funds	3.03	2.80	2.80

Children's Administration – The Children's Division Administrative Services provides management, coordination, and general direction for all Children's Division programs. The division director and staff monitor the effectiveness of programs that promote safety, permanency, and well-being for Missouri's children served by the division. Administrative Services provides policy direction, financial management and operational services, and human resource support to field staff.

DEPARTMENT OF SOCIAL SERVICES CHILDREN'S DIVISION

CD Field Staff and Operations/Staff Training – Provides funding and training for Children's Service workers and support staff to maintain the Children's Division (CD) programs in each of the state's 45 Judicial Circuits. Front-line staff respond to allegations of child abuse or neglect, provide assistance for families in need of services to keep or return children home safely, secure appropriate out of home placements for children placed in the division's custody, and locate permanent homes when it is in the best interest of children.

In 2009, the Children's Division obtained national accreditation by the Council on Accreditation (COA), in accordance with Section 210.113, RSMo. To achieve accreditation, Missouri's child welfare system, encompassing 45 judicial circuits, was reviewed and measured against nationally-recognized standards of best practice established by COA.

Children's Treatment Services, Intensive In-Home Services, Crisis Care, and Prevention Programs – The Children's Treatment Services funding provides a variety of contracted services to child abuse victims and their parents. Specific services include family therapy, homemaker services, respite care, parent aides, child care, crisis care services, and incentive subsidies to encourage local units of government to develop community programs to combat child abuse and neglect. Children's Treatment Services also provides funding for intensive, in-home services to help prevent placement of children in foster care and keep children with their families. Prevention programs such as Crisis Care Centers and home visitation provide services for families and children to prevent child abuse and neglect (CA/N) and to divert children from the state's custody.

Foster Care, Children's Account, Adoption Subsidy, and Subsidized Guardianship – The Foster Care Program provides monthly room and board payments for children in the custody and care of the Children's Division. Types of placements include traditional foster care, relative care, and kinship care. For children with intensive needs, specialized placements such as behavioral, medical, and career foster care are provided. Payments are made for non-Medicaid medical and dental services, clothing, transportation, foster parent training, respite care, and other needs. Children in state custody may receive funds from a variety of sources, including child support payments. These monies are used to offset the cost of maintaining the child in foster care and to pay for any special expenses of the child.

The Adoption Subsidy Program and Subsidized Guardianship Program provide financial assistance to parents who adopt or become legal guardians of special needs children, in order to move these children from foster care into permanent family arrangements.

Children's Programs Pool – This pooled appropriation allows flexible spending for Children's Program areas.

Child Assessment Centers – Child Assessment Centers (CACs) provide a child friendly setting where children, reported to have been sexually abused, can be interviewed by multi-disciplinary team members and receive a single medical examination.

Residential Treatment, Transitional Living, Independent Living, and Title IV-E Court Contracts – Residential facilities are used when foster family care cannot meet the children's treatment needs. The division contracts with a wide range of residential programs, ranging from small group homes to large, self-contained, resident campuses. Facilities must be licensed or be accredited by one of three nationally recognized accrediting organizations. Independent Living programs assist foster care children, ages 15 to 21, in learning the necessary skills for the transition from foster care to adult independent living in the community. Transitional Living placement programs assist foster care children ages 16 to 21 by placing youth in their communities with support services. Court contracts through the Title IV-E Program allow the Children's Division to pass through federal funds to be used for reimbursement to juvenile courts for children in the court's custody placed in juvenile court residential facilities.

Foster Care Case Management Contracts – The Children's Division contracts with private agencies to provide foster/adoption case management services to children who have been removed from their homes and are under the jurisdiction of the Juvenile Court. These children have been abused and/or neglected or were found to be at serious risk of such. The goal of the foster care case management contracts is to improve safety, stability, and timely permanency for these children.

Purchase of Child Care – A key to successful welfare reform and the prevention of abuse and neglect is access to quality, affordable child care. Without child care assistance, many parents could not participate in job training or education, or maintain employment in order to become self-sufficient and end their dependence on government assistance. Without such assistance, the risk of children being left in unsafe environments also increases. The Early Childhood Development, Education and Care Fund supports programs to improve the availability of, and access to, quality child care and programs that prepare children to enter school ready to succeed. Because children learn more from the ages of zero to five than during any other developmental period, the availability of quality child care is essential to preparing children for school.

Fiscal Year 2011 Governor's Recommendations

- \$1,454,720 federal funds to continue Fiscal Year 2010 foster care clothing and diaper allowance increase.
- \$542,582 federal funds to replace general revenue due to increased federal earnings.
- \$400,000 to replace federal budget stabilization funds for crisis care services.
- \$399,845 Early Childhood Development and Education Care Fund to replace general revenue in child care services.
- (\$7,388,488) and (35.72) staff core reduction from the Fiscal Year 2010 appropriation level, including (\$5,887,818) general revenue.

**DEPARTMENT OF SOCIAL SERVICES
DIVISION OF YOUTH SERVICES**

FINANCIAL SUMMARY

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	GOVERNOR RECOMMENDS FY 2011
Administrative Services	\$ 2,144,119	\$ 2,106,113	\$ 2,073,905
Youth Treatment Programs	55,456,522	56,820,202	55,784,297
Juvenile Court Diversion	3,921,621	4,267,880	4,267,880
TOTAL	\$ 61,522,262	\$ 63,194,195	\$ 62,126,082
PERSONAL SERVICE			
General Revenue Fund	36,137,977	22,389,736	21,596,214
Federal Funds	7,737,163	22,245,591	22,121,828
Other Funds	2,867,087	2,869,743	2,869,743
EXPENSE AND EQUIPMENT			
General Revenue Fund	1,049,179	1,333,451	434,839
Federal Funds	6,214,154	6,923,315	6,928,268
Other Funds	3,547,613	3,096,749	3,660,110
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	3,488,159	3,774,471	3,775,198
Federal Funds	24,092	39,045	31,149
Other Funds	456,838	522,094	708,733
TOTAL			
General Revenue Fund	40,675,315	27,497,658	25,806,251
Federal Funds	13,975,409	29,207,951	29,081,245
Other Funds	6,871,538	6,488,586	7,238,586
Total Full-time Equivalent Employees	1,490.04	1,411.14	1,376.14
General Revenue Fund	1,153.69	634.45	609.65
Federal Funds	244.11	695.59	685.39
Other Funds	92.24	81.10	81.10

The Division of Youth Services (DYS) is divided into three functional areas: Management and Development, Residential Services, and Non-residential Services.

Management and Development is the central administrative unit with overall responsibility for designing, implementing, managing, and evaluating all programs operated by the division. Five regional offices work with central office staff to ensure program efficiency and effectiveness at the local level.

Residential Services provides youthful offenders with structured rehabilitation programs when placement at home is no longer an option. Services include academic and vocational education for youth in residential placement. The division has seven secure care facilities: Northwest Regional Youth Center in Jackson County, Hogan Street Youth Center in St. Louis City, Fulton Treatment Center in Callaway County, Mount Vernon Treatment Center in Lawrence County, Hillsboro Treatment Center in Jefferson County, Riverbend Treatment Center in Buchanan County, and Montgomery City Youth Treatment Center in Montgomery County. The division also operates 18 moderate care facilities and seven community based facilities.

Non-residential Services help youthful offenders adjust to community life and become law-abiding and productive citizens. The division provides several types of non-residential services: case management; community care which includes day treatment, intensive supervision, family counseling, and alternative living; aftercare; and the Juvenile Court Diversion Program. Case management involves evaluating youths' needs and managing their service delivery plan during their entire length of stay with the division. Community care involves treatment of youth in the community without the youth being placed in a DYS facility. Alternative living includes foster care and independent living services for juveniles who cannot return to their homes. Day treatment programs provide education and treatment services for youth who continue to live at home. Family counseling is provided to strengthen the family structure, communication, and parenting. Intensive supervision provides mentoring to youth in the community. Aftercare is the provision of support services to help juveniles return to their families and communities as law-abiding and productive citizens. Finally, the Juvenile Court Diversion Program encourages local communities to develop programs to divert youth from commitment to DYS.

Fiscal Year 2011 Governor's Recommendations

- \$554,344 DSS Educational Improvement Fund to replace general revenue in youth treatment services.
- \$195,656 DSS Educational Improvement Fund for residential treatment rate equity.
- (\$1,818,113) and (35) staff core reduction from the Fiscal Year 2010 appropriation level, including (\$1,691,407) general revenue.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

FINANCIAL SUMMARY

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	GOVERNOR RECOMMENDS FY 2011
Administrative Services	\$ 89,655,760	\$ 102,105,356	\$ 93,113,363
MO HealthNet Vendor Payments and Managed Care	5,632,611,069	6,210,675,505	6,664,509,584
State Medical	30,223,468	31,197,426	33,690,066
TOTAL	\$ 5,752,490,297	\$ 6,343,978,287	\$ 6,791,313,013
PERSONAL SERVICE			
General Revenue Fund	3,093,605	3,439,947	3,439,947
Federal Funds	5,387,825	5,603,007	5,620,219
Other Funds	1,520,812	1,604,069	1,621,280
EXPENSE AND EQUIPMENT			
General Revenue Fund	35,572,470	23,812,677	25,460,123
Federal Funds	74,513,615	96,698,418	84,799,342
Other Funds	4,577,277	7,580,548	7,584,022
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	1,023,360,518	1,116,523,789	1,240,143,842
Federal Funds	2,740,735,927	3,236,058,061	3,344,866,407
Other Funds	1,863,728,248	1,852,657,771	2,077,777,831
TOTAL			
General Revenue Fund	1,062,026,593	1,143,776,413	1,269,043,912
Federal Funds	2,820,637,367	3,338,359,486	3,435,285,968
Other Funds	1,869,826,337	1,861,842,388	2,086,983,133
Total Full-time Equivalent Employees	250.95	267.11	268.11
General Revenue Fund	78.51	85.03	85.03
Federal Funds	136.49	138.49	138.99
Other Funds	35.95	43.59	44.09

ADMINISTRATIVE SERVICES

The MO HealthNet Division is an intermediary for providing services to both participants and providers. The agency's structure includes two major sections, Finance and Operations and Clinical Services.

Finance and Operations work to incorporate the newest and best technology to accurately and efficiently pay providers in a paperless environment. Technology is a robust reporting function that is critical to the management responsibilities of the division. The resultant database of paid claims is used to monitor the programs, provide program integrity, and compile data to project financial needs and trends. Provider enrollment and relations, participant services, and premium collections are also functions under the Finance and Operations section.

The Clinical Services section oversees pharmacy enhancement and rebates, the exception program, the psychology program, and the Missouri Rx Plan. The Clinical Services unit reaches out to organizations through existing contracts, such as the University of Missouri Health Management Team, to assist in needed data mining and analysis. The process allows for examination and analysis of performance in terms of efficiency of operations and anticipated health status outcomes. Utilizing a variety of sources, the Clinical Services unit establishes best practices based on evidence-based reviews.

Fiscal Year 2011 Governor's Recommendations

- \$2,187,500 to replace federal budget stabilization funds for health care technology projects.
- \$41,370 federal and other funds and one staff to implement Senate Bill 307 (2009), which creates the ambulance reimbursement assessment.
- (\$9,003,565) federal funds core reduction for one-time expenditures.
- (\$2,187,500) Federal Budget Stabilization Fund core reduction.
- (\$27,422) core reduction from Fiscal Year 2010 appropriation level, including (\$13,711) general revenue.
- (\$2,376) transferred to Office of Administration for fuel and utilities, including (\$1,188) general revenue.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

**MEDICAID EXPENDITURES
SELECTED SERVICES AND ANNUAL TOTALS**

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	GOVERNOR RECOMMENDS FY 2011
Pharmacy	\$ 922,782,783	\$ 1,133,176,749	\$ 1,197,824,774
Physicians	488,709,293	492,805,063	601,906,745
Dental	13,199,851	14,608,413	20,188,924
Premium Payments	148,161,419	157,634,508	192,372,072
Nursing Facilities and Home Health	592,785,014	638,172,925	596,464,174
Rehabilitation and Specialty Services	242,446,398	281,777,277	294,540,578
Managed Care	1,110,143,030	1,052,127,800	1,110,830,062
Hospital Care	639,713,407	788,242,253	829,335,219
Safety Net Hospitals	3,452,457	8,000,000	8,000,000
FRA and NFFRA	1,071,152,150	1,034,875,963	1,150,821,150
Health Care Access	3,519,410	13,296,086	13,401,011
Children's Health Insurance Program	129,505,171	190,849,618	192,022,118
School District Claiming	22,198,631	33,369,908	33,369,908
MAF Adults	0	146,889,428	0
MO HealthNet Supplemental Pool	48,277,015	35,698,084	35,698,084
IGT Safety Net Hospitals	187,360,044	179,200,000	199,854,549
IGT DMH	0	0	178,630,216
FQHC/Rural Health Clinic	9,204,996	9,951,430	9,250,000
TOTAL	\$ 5,632,611,069	\$ 6,210,675,505	\$ 6,664,509,584
EXPENSE AND EQUIPMENT			
General Revenue Fund	16,536,466	15,728,155	15,203,000
Federal Funds	21,025,333	20,364,585	19,668,000
Other Funds	675,845	391,600	391,600
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	994,217,910	1,087,290,128	1,208,417,541
Federal Funds	2,740,735,927	3,236,057,031	3,344,865,377
Other Funds	1,859,419,588	1,850,844,006	2,075,964,066
TOTAL			
General Revenue Fund	1,010,754,376	1,103,018,283	1,223,620,541
Federal Funds	2,761,761,260	3,256,421,616	3,364,533,377
Other Funds	1,860,095,433	1,851,235,606	2,076,355,666
Total Full-time Equivalent Employees	0.00	0.00	0.00

The Medicaid Program (Title XIX of the Social Security Act) is a federal-state effort to pay for the health care of those who cannot pay for their own care. Federal law sets the minimum services for any state that opts to administer the Medicaid program. These include hospital; physician; Early and Periodic Screening, Diagnostic and Treatment (EPSDT); lab and x-ray; skilled nursing home care; home health care; Federally Qualified Health Centers; rural health clinics; non-emergency transportation; and family planning services.

In addition to Medicaid State Plan Services, Missouri also provides women's health services for women with incomes no greater than 185 percent of the federal poverty level, through an 1115 waiver. Also, the SCHIP State Plan is the federal-state effort to pay for the health care of uninsured children above existing Medicaid eligibility limits up to 300 percent of the federal poverty level. Children will receive a benefit package equal to Medicaid coverage, though non-emergency medical transportation is not available to children in families with income above 150 percent of the federal poverty level.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

Fiscal Year 2011 Governor's Recommendations

- \$240,950,299 for the additional anticipated costs of existing Medicaid programs, including \$86,903,756 general revenue.
- \$178,630,216 federal and other funds to certify public expenditures through an intergovernmental transfer for mental health Medicaid programs.
- \$155,425,259 to fund caseload growth for the Permanently and Totally Disabled (PTD), Qualified Medical Beneficiary (QMB), Pregnant Women, and Children, including \$56,101,209 general revenue.
- \$66,329,214 Pharmacy Reimbursement Allowance Fund to align the program with planned expenditures.
- \$63,329,394 Federal Reimbursement Allowance Fund to align the program with planned expenditures.
- \$49,309,760 to address the anticipated increase in the Pharmacy Program due to new drugs, therapies, utilization, and inflation, including \$6,059,721 general revenue.
- \$44,208,303 to address the change in the federal participation percentage, including \$44,020,052 general revenue.
- \$21,753,508 Pharmacy Reimbursement Allowance Fund to support increasing the provider assessment to 1.82 percent.
- \$21,748,045 for the increase in Medicare Part A and B premiums, including \$7,918,579 general revenue.
- \$20,654,549 federal and other funds to align appropriations with projected expenditures associated with the safety net hospitals.
- \$10,701,025 for increase in clawback payments for Medicare Part D drug coverage.
- \$7,443,750 Life Science Research Trust Fund to replace the Managed Care Reimbursement Allowance, which has been phased out by federal law.
- \$2,916,818 federal and other funds to support the ambulance reimbursement assessment.
- \$220,621 for actuarially sound increases to Medicare hospice rates, including \$79,831 general revenue.
- (\$94,273,635) federal funds core reduction due to the failure to pass Senate Bill 306 (2009), the health care revision bill.
- (\$64,336,400) core reduction from Fiscal Year 2010 appropriation level, including (\$1,794,949) general revenue.
- (\$44,208,303) core reduction to address the change in the federal participation percentage, including (\$188,251) general revenue.
- (\$34,800,000) core reduction for hospital payments resulting in value based purchasing, including (\$10,600,000) general revenue.
- (\$32,962,505) core reduction in nursing facility payments due to Medicare repricing, including (\$12,000,000) general revenue.
- (\$26,644,692) core reduction for a clinical review of psychotropic medications, including (\$9,700,000) general revenue.
- (\$21,900,000) core reduction in hospital payments due to Medicare Part B repricing of outpatient services, including (\$8,000,000) general revenue.
- (\$21,753,508) core reduction due to an increase in the Pharmacy Reimbursement Allowance assessment rate.
- (\$14,900,761) core reduction for better care management of high cost pharmacy users, including (\$5,424,622) general revenue.
- (\$13,400,000) core reduction associated with the addition of an image benefits manager to require pre-certification of imaging, including (\$3,900,000) general revenue.
- (\$11,745,954) MO HealthNet Managed Care Organization Reimbursement Allowance Fund core reduction as the tax is no longer allowable under federal law.
- (\$10,399,999) core reduction to ensure Medicaid is payer of last resort, including (\$3,786,120) general revenue.
- (\$9,800,000) core reduction from the chronic care improvement program for elimination of dual eligible's from this contract, including (\$3,567,690) general revenue.
- (\$8,240,626) core reduction due to implementation of Maximum Allowable Cost (MAC) pricing on specialty drugs, including (\$3,000,000) general revenue.
- (\$8,240,626) core reduction for lowering select physician payments to 90 percent of Medicare rates, including (\$3,000,000) general revenue.
- (\$3,948,081) core reduction in select rehabilitation and specialty services payments, including (\$1,437,299) general revenue.
- (\$3,910,000) core reduction due to an increase in generic pharmacy utilization, including (\$1,456,200) general revenue.
- (\$2,746,874) core reduction for better identification of Medicare eligibles, including (\$1,000,000) general revenue.
- (\$1,464,843) core reduction for lowering durable medical equipment provider payments to 90 percent of Medicare rates, including (\$533,276) general revenue.
- (\$109,875) core reduction for requiring Medicare certification of all nursing homes, including (\$40,000) general revenue.

STATE MEDICAL

The State Medical Program allows individuals who do not meet categorical eligibility criteria for the Title XIX to receive nearly all of the same services, which are reimbursed for Title XIX eligibles, including non-institutional, nursing facility, and hospital care. These individuals include Child Welfare Services, Blind Pension, Presumptive Eligibility for Pregnant Women recipients, and youth in the custody of the Division of Youth Services.

Fiscal Year 2011 Governor's Recommendations

- \$1,838,108 for the additional anticipated costs of existing programs.
- \$654,532 to address the rising costs in the Pharmacy Program due to new drugs, therapies, utilization, and inflation.